CONNECTING PUERTO RICO:
A PUERTO RICO BROADBAND TASK FORCE BRIEFING

June 5, 2012

Across the U.S. territory of Puerto Rico, the digital divide stands as a key barrier to economic growth and sustainability. Closing this digital divide is critical to stimulate Puerto Rico's economic growth and create jobs. The Puerto Rico Broadband Strategic plan is intended to bring together Puerto Rico public and private stakeholders, as well as Federal leaders, to build awareness of the acute digital lag across the island and determine how Federal and Puerto Rico leaders can work together to close this gap.

The Puerto Rico Broadband Strategic Plan, released last month by the Puerto Rico Broadband Taskforce (PRBT), documents in detail the size and scope of the digital divide; sets 25 strategic goals to boost access, adoption, and use of broadband technology in Puerto Rico; and proposes 40 specific policy strategies aimed at achieving those goals.

The PRBT was formed in 2011, bringing together an unprecedented group of non-partisan, public-private members that include members of the Puerto Rico government and cross-sector private stakeholders. Its expressed goal is to achieve a 21st-century technology infrastructure and broadband adoption level in Puerto Rico while strengthening the economy, increasing access to healthcare, and boosting technology in the classroom.

The Federal government has a stake here as well, and a crucial role to play. The PRBT has leveraged research and planning resources provided by the National Telecommunications and Information Administration (NTIA) at the U.S. Department of Commerce through the State Broadband Initiative Program. This Federal support has been instrumental in supporting Puerto Rico's comprehensive broadband strategy. Much more cooperation is needed if we are to succeed in bridging the digital gap across Puerto Rico.

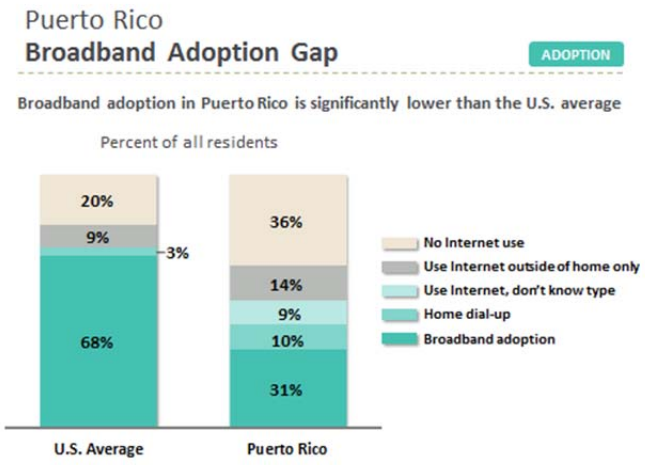
THE DIGITAL DIVIDE ACROSS PUERTO RICO[1]

The ACCESS (or SUPPLY) GAP

- Across Puerto Rico, an estimated 86% of households have basic, fixed broadband available to them (basic defined as 768 Kbps advertised download speed). An estimated 177,000 households have no form of broadband access other than mobile or satellite. By contrast, across the U.S. mainland, most states provide broadband availability to more than 95% of households.
- At higher capacity broadband speeds, necessary to conduct basic online activities, such as two-way video conferencing, broadband availability is much more limited. Only 57% of households have broadband available at 3 Mbps or faster, and only 32% at speeds of 10 Mbps or faster.

The ADOPTION (or DEMAND) GAP

- Only 31% of households across Puerto Rico subscribe to broadband. This compares to an average of 68% across the U.S.
- While demand for broadband and information technology is growing in Puerto Rico (Puerto Rico recently made a significant gain, and is now second in the region, going from a 43rd to 36th ranking on World Economic Forum's Global Information Technology Report 2012 Network Readiness



[1] Puerto Rico data: Connect Puerto Rico, www.connectpr.org. USA data: NTIA, U.S. Dept. of Commerce.

Index), this lagging demand for broadband remains a barrier for economic growth as less citizens are able to benefit from online opportunities. This broadband adoption gap also hurts the business case for deployment.

The USE GAP - EDUCATION & HEALTHCARE

- Puerto Rico's K-12 education system lags behind other jurisdictions in the implementation of online solutions to help support and expand the learning experience. Puerto Rico is investing in modernizing its school system, upgrading broadband resources, and training teachers how to leverage this technology to do more with less, but much more is needed to modernize the education sector across the island.
- Across Puerto Rico's public schools, broadband connectivity is insufficient to meet this challenge; in 2011, the maximum connection speed contracted by the public K-12 system was 1.5 Mbps. Closing this gap is necessary to ensure that the next generation of Puerto Ricans is prepared to compete in the digital age, and lower the cost of education.
- Healthcare is one of the prime areas in which a high-speed broadband network can facilitate new models of service delivery. Puerto Rico's Healthcare sector is collaborating with Federal agencies to implement structures such as a modern Electronic Healthcare Records system and implement telemedicine healthcare solutions across areas where healthcare providers are scarce. However, Puerto Rico's bandwidth constraints are preventing healthcare providers and consumers alike from fully leveraging the benefits of online health applications and services. Expansion of high-speed broadband availability must continue and accelerate.

A CALL TO ACTION – WHAT CAN THE FEDERAL GOVERNMENT DO TO HELP CLOSE THE DIGITAL DIVIDE IN PUERTO RICO?

Puerto Rico needs the Federal government to support and complement the efforts of the PRBT to accelerate the closing of the digital divide on the island. Helping bridge the digital divide across Puerto Rico will promote economic and job growth, leading to a more sustainable economy and reducing the need for other forms of Federal support. In particular:

- Funds allocated to close the access gap must be fair to Puerto Rico. To ensure this, the FCC should assess the impact of the new Connect America Fund rules on Puerto Rico and ensure that economic models built to estimate subsidies accruing to Puerto Rico are not skewed in a way that will result in an unfair reduction of resources to Puerto Rico.
- On March 2012, the FCC allocated zero funds to Puerto Rico out of a total of $300 million one-time capital injection for broadband build-out in 2012. The FCC decision does not reconcile with the acute availability gap across the island. Future subsidy allocation decisions under the Connect America Fund need to be fair and ensure that they are being used efficiently to close the availability gap on the island.
- Federal programs to close the adoption gap should specifically target Puerto Rico. The adoption gap across Puerto Rico is the most acute in the United States. Despite this, no funds were allocated to Puerto Rico under the Sustainable Adoption or Public Computing Center programs managed under the NTIA's BTOP program.
- Programs such as the FCC's 2012 Lifeline Pilot program, the U.S. Department of Agriculture's Community Connect Broadband Grant Program, broadband expansion programs within the Department of Housing and Urban Development, or the FCC's Connect to Compete initiative should specifically target Puerto Rico's most vulnerable communities.
- The FCC should work with the Department of Education of Puerto Rico to ensure E-Rate funds are efficiently used to sustain and expand broadband connectivity across the island's K-12 system.

Explore the Puerto Rico Broadband Strategic Plan
http://www.prbroadband.org